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TAGS: [PGOV](#) [PTER](#) [NP](#)

SUBJECT: PRIME MINISTER PLANS TO APPOINT NEW HOME MINISTER
AS MAOISTS OVERREACH

REF: A. KATHMANDU 2425

[1](#)B. KATHMANDU 2420

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) USAID-contracted peace facilitator Hannes Siebert told the Ambassador September 7 that Prime Minister Koirala is probably going to appoint a new Home Minister. Siebert expects incumbent Home Minister Sitaula to keep his position on the Government of Nepal's (GON) negotiating team with Koirala perhaps naming a stronger lead negotiator. The peace facilitator shared the Ambassador's view that it would be foolish for the PM to agree to the Maoist demand to abandon the existing peace process in favor of a summit meeting between Koirala and Prachanda. Siebert characterized the Maoists' recent decision not to put its combatants into cantonments under UN monitoring as an example of Maoist overreach. The Ambassador hoped that the Prime Minister was reaching his limit and would react soon. The Ambassador and Siebert also discussed how the Peace Secretariat could be made more effective. End Summary.

Sitaula On His Way Out As Home Minister?

[1](#)2. (C) On September 7, USAID-contracted peace facilitator Siebert informed the Ambassador that Prime Minister G.P. Koirala may be preparing to appoint a new Home Minister. Siebert, who returned days ago to Kathmandu after an absence of several weeks, said that the PM had finally come around to the argument that one person could not be both Home Minister (GON's chief law enforcement officer) and the GON's chief peace negotiator. His best guess was that Sitaula would step down as Home Minister. The PM, he stated, was considering as well whether to bring one or more senior Nepali Congress leaders into the team to bolster or perhaps supplant Sitaula as the chief negotiator. Siebert did not know who was on Koirala's short list to be the new Home Minister or new negotiating team member.

Sitaula A Disaster As Chief Government Negotiator

13. (C) The USAID contractor voiced his regret that Sitaula was not likely to lose a spot on the GON negotiating team. He had been an unqualified disaster. As Siebert's colleague Retief Olivier noted, Sitaula had repeatedly failed to follow the three cardinal rules for negotiating: (1) know your brief; (2) have a mandate; and (3) touch base with your constituencies. Siebert described how the Government had been close in August to getting the Maoists to sign on to a stronger Five-Point Agreement, but the opportunity vanished when Sitaula promised to intervene with the PM to water down the language. Siebert and the Ambassador agreed that what had saved Sitaula up until now was his close relationship with Koirala. As the Ambassador pointed out, the PM trusted him.

Koirala-Prachanda Summit Talks: Yes or No?

14. (C) Siebert explained that one of his principal immediate goals was to prepare the government team for an upcoming summit meeting between the Prime Minister and Maoist Supremo Prachanda. Claiming the existing peace process was broken, the Maoist Chairman had called at a September 3 press conference for direct talks between the two sides' leaders (Ref A). Siebert said the talks might be as early as the week of September 11. At this point, the Ambassador strongly questioned the utility of a summit. Prachanda had already indicated he wanted to bring nine members of the CPN-M leadership, including many hard-liners, to the talks. His goal, the Ambassador said, would be to browbeat the Prime Minister into agreeing to the Maoist demands. In the Ambassador's opinion, if the Maoists wanted to negotiate, they needed to talk to the Government's negotiating team. Full stop. Siebert conceded the point.

Maoists Overreach

15. (C) The Ambassador asked Siebert if he saw any signs that the Maoists were prepared to compromise for peace. All the signs seemed to be pointing in the opposite direction. The Ambassador cited as an example the CPN-M Central Committee announcement over the weekend of September 2-3 not to put its combatants in cantonments under UN monitoring. This commitment, in exchange for a GON commitment to put the Nepali Army in barracks, had been at the core of identical August 9 letters Prachanda and Koirala had sent to UN Secretary General Annan. The Maoists had broken their word

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to the UN. There seemed, the Ambassador maintained, no limits to their audacity. That was exactly the problem, Siebert replied. The Maoist threats and demands had gotten increasingly outrageous because the GON was not pushing back. The Maoists were overreaching, Siebert proclaimed, and they would eventually push too far.

GON Pushback Imminent?

16. (C) The Ambassador informed Siebert that the Prime Minister's Foreign Policy Adviser Dr. Chalise had told the DCM September 7 that Koirala planned to launch a public response soon sharply criticizing the Maoist Central Committee's decision to renege on confining the People's Liberation Army in cantonments (Ref B). Siebert made the point that the GON had already taken one step to show the Maoists they meant business by making General Katawal's appointment as Chief of Army Staff permanent. Chalise, the Ambassador noted, however, had been very uncomfortable when the DCM made a strong pitch for a GON crackdown on rampant Maoist extortion and abuses. The Ambassador speculated that Chalise's discomfort might have stemmed from a new assignment he had taken on: Chalise had told the DCM September 7 that the PM had authorized him to meet with Prachanda one-on-one to look for common ground; a law and order crackdown at this

uncture might jeopardize Chalise's mission.

Peace Secretariat Struggling

17. (C) Siebert told the Ambassador that the Peace Secretariat was in disarray. Vidyadhar Mallik, the former head, who was transferred to the Finance Ministry in mid-August, was a civil servant. But Mallik had keen political sensitivity and was willing to initiate action and delegate responsibility. These qualities, Siebert stated, had led him to make some mistakes, but overall his work had been a success. This was in spite of the fact that he had been forced to report to three offices -- the Office of the Prime Minister, the high-level Peace Committee, and Home Minister Sitaula as the chief government negotiator -- none of which provided sufficient direction. The new head of the Secretariat, Janak Joshi, was a completely different type. He was scared to act and frightened that his subordinates might do something wrong, so he didn't act but kept all authority to himself. Joshi also lacked Mallik's political sense. One idea which a leading Seven-Party Alliance member, the CPN-UML, had proposed, the USAID peace facilitator noted, was to create a Peace Ministry. This would ensure that the Secretariat got the direction it needed, which the Ambassador strongly endorsed.

Comment

18. (C) Siebert and the others on the USAID-funded Nepal Transition to Peace project team have their work cut out for them. While they are providing essential technical assistance to the Government of Nepal's negotiating team, the GON bears responsibility for success or failure. Appointing a new Home Minister would be an excellent start. Appointing a new chief negotiator as well would be even better. The time for Koirala to act is now, as we will continue to emphasize.

MORIARTY